

IN THE MATTER OF THE ARBITRATION

BETWEEN

NORTH SCOTT COMMUNITY
SCHOOL DISTRICT,

Employer,

vs.

SEIU #199 (MIXED),

Employee
Organization.

ARBITRATION AWARD

Wilford H. Stone, Arbitrator

Issued: July 6, 2004

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PUBLIC EMPLOYMENT
RELATIONS BOARD

A. APPEARANCES

For North Scott Community School District:

Gary Ray, President, Ray and Associates
Don Hoskins, Attorney
Joe Hintze, Business Manager
Tim Dose, Superintendent

For SEIU #199 (Mixed):

Doug Peters, Union Representative
Karen Skaala
Pat Perry
Lois Keppy
Jerry Kruse

B. INTRODUCTION/STATEMENT OF JURISDICTION

This matter proceeded to an arbitration hearing pursuant to the statutory impasse procedures contained in Iowa Code Chapter 20 (2004). The undersigned was selected to serve as arbitrator from a list furnished to the parties by the Public Employment Relations Board.

Pursuant to the parties' agreement, the arbitration hearing was held beginning at 10:00 a.m., on June 24, 2004, in the board room of North Scott Community School District located at 251 East Iowa Street, Eldridge, Iowa. The

hearing was electronically recorded. The parties stipulated that there is no dispute as to the arbitrability or negotiability of the items at impasse. The parties also submitted an "independent impasse agreement" waiving the April 15, 2004, date for completion of negotiations or impasse procedures, and also agreed to waive their own June 15, 2004, completion date. A copy is attached to this award. It was agreed that the Association would proceed with its presentation first.

In the course of the hearing, both parties submitted their evidence and were given full opportunity to introduce evidence, facts and present argument, rebuttal and surrebuttal in support of their respective positions. The District called Joe Hintze as a witness. The parties presented their cases primarily through their representatives (Don Hoskins, Gary Ray, and Doug Peters). The oral presentations and arguments were of considerable assistance to the arbitrator. The parties chose not to submit post-hearing briefs, and the hearing was closed around 2:00 p.m. The award set forth below is based upon the arbitrator's weighing of all of the facts and arguments submitted.

C. EXHIBITS

All exhibits were admitted into evidence without objection, including Joint Exhibit 1 (the master contract).

D. ARBITRATION CRITERIA

Iowa Code Section 20 contains specific criteria that are to be used by an arbitrator in assessing the reasonableness of the parties' arbitration proposals. The criteria set forth in Iowa Code Section 20.22(9) (2004) states:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

1. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
2. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
3. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.
4. The power of the public employer to levy taxes and appropriate funds for the conduct of its business.

The Iowa Code requires that the arbitrator must choose between the Union's final offer and the District's final offer on each impasse item. Iowa Code §20.22(3) (2004). The Iowa Code further provides that the arbitrator must select, without alteration, the most reasonable of the positions on each of the items at impasse and consider the statutory criteria in arriving at the decision as to which is the most reasonable. See Iowa Code §20.22(11) (2004). See also District Exhibit I-2.

E. ITEMS AT IMPASSE/FINAL OFFERS

1. Wages. See Union Exhibit 2 and District Exhibit I-4 (attached).
2. Insurance. See Union Exhibit 2 and District Exhibit I-4 (attached).

F. BACKGROUND

North Scott Community School District is located in Eldridge, Scott County, Iowa. Its student enrollment for the 2003-2004 school year was 2,946. It is in the same athletic conference as Bettendorf, Burlington, Clinton, Davenport, Muscatine, and Pleasant Valley. North Scott (the District) has collective bargaining agreements with the bus drivers, its teachers, and the Service Employees International Union Local 199 (the Union) which is the unit at issue here and contains such employees as custodians, matrons, grounds, delivery, secretarial,

mechanic, maintenance, teacher's aides, and cooks. There are currently 156 employees in this bargaining unit. Other district employees are not represented by a collective bargaining agent, and are categorized as mid-management, central office, print shop/courier, and child care. See Union Exhibit 4.1 and District Exhibit S-3. The current collective bargaining agreement expires June 30, 2004. The parties were unable to reach an agreement, and this arbitration resulted. The only items for the arbitrator are wages and insurance. All other articles of the contract will remain unchanged. See Union Exhibit 2.

G. POSITIONS OF THE PARTIES AND FINDINGS OF FACT¹

1. Wages.

A. District Position. The District's final offer on wages was step movement (equal to 9.44 cents across the board) and .31 cents across the board to all employees in the union, for a total package of \$95,917. See District Exhibit I-4 and Union Exhibit 2. According to the District's summary of the exhibits, the Union's step movement freeze proposal creates a problem and is a major "concept change," in addition to the fact that 59% of the staff will be denied step movement and backed up for the next several years. See District Exhibit F-1; I-8 and I-10. The District also argues in its summary that the Union increased its position after the arbitrator's selection, that its wage package compares very well in comparison with all comparable groups (except long-term employees with longevity) and believes that its proposal is comparable to other settlements in the state. See, e.g., District Exhibit F-1, and exhibits cited therein. The District argues that it is solvent

¹ The background and all exhibits submitted by the parties are incorporated into all findings of fact and conclusions of law.

with large decreases the last fiscal year and is below average on unspent balance. It also claims that it has high taxes. See District Exhibit F-1 and B-1, et al.

The District claims that the difference in proposals is identical (9.56 cents) because the District's proposal to allow step movement and a .31 cent general wage increase is the cost equivalent of a 40.44 cents across the board increase with no step movement. See District Exhibit I-5.

The District argues the Union is seeking a major "concept change" by proposing the freeze step movement. The District notes that it has agreed to the step movement freeze several times in the past several years (97/98 and 02/03) and also agreed a third time in the third year of a three year settlement. See I-8. However, the District states that the two prior freezes were only agreed to as the cost of step movement and/or insurance would have consumed so much of the available dollars that a comparable across the board increase could not be made. The District claims that the Union this year cannot show a similar problem justifying its proposal to freeze step movement. The District claims there are "sufficient dollars to pay for step movement and to provide a comparable across the board increase this year." See I-8. The District argues that under the Union's proposal, 82 of 138 employees, or 59%, will have their step movement frozen. See District Exhibit I-10. The District claims that this "concept change" is analogous to changes in contract language, and cites a number of arbitrators who have "consistently stated that the burden of demonstrating the need for contract provision changes is on the party requesting the change." See District Exhibit I-12. The District also introduced into evidence a recent arbitration award from Arbitrator Pegnetter, in which he stated that a "higher burden of proof" is required when a party is seeking a

unilateral change of a negotiated contract provision. See I-14, page 6. The District also argues that in addition to this "concept change," the Union is also proposing a wage increase amount (\$.50) that is not comparable to settlements at other schools.

The District also presented testimony regarding the course of bargaining (I-15), and exhibits regarding the enrollment and size of the conference comparison group (I-16). The District also presented testimony regarding the comparison group of the "five larger/five smaller" comparison schools, and notes that these schools are widely disbursed throughout Iowa and are not schools in which North Scott actually competes for employees. See District Exhibit I-19. The District also presented testimony regarding the new money in the conference schools (I-21) and also in the "five larger/five smaller" schools state wide (I-22). The District also presented history regarding the new money in both comparability groups. See I-23 and I-24. The District notes that North Scott enrollment has declined in the last six years, but that it appears to be trending up. See District Exhibit I-25.

According to the District, North Scott ranks 6 of 11 on wages, but that in its conference, the North Scott family health insurance provision is equal to or more generous than all comparison classifications except Clinton custodians and the Davenport custodians and secretaries (3 out of 21 comparisons). See District Exhibit I-26. The District notes that it has several part-time employees where the District was paying as much as 54.7% of wages out of health insurance.

The District notes that its position is above average on a cents per hour across the board basis compared to all settlements, as a percentage of wage increase basis, and closest to average on a total package percentage basis. It

admits that as a total package percentage its position is slightly below average. See District Exhibit I-26, page 2. The District claims that this is due to insurance rates not increasing for calendar year 04/05 which makes the percentage of wage increases a much better comparison factor. The District claims that the Union's position is "extremely excessive," whether on a cents per hour basis, total package percentage basis, and as a percentage of wage increase basis. Id. The District claims that Association's position is only comparable with settlements at schools with "jumbo new money," defined as new money approaching 5%-6%. Id. The District claims there is no justification for either a step freeze or such a large cents per hour increase.

The District admits it is not making any inability to pay argument, although it argues that this is not an average or typical year in public sector collective bargaining in Iowa as the state is experiencing severe revenue declines due to the economic downturn. See District Exhibit I-27.

The District also presented extensive testimony regarding costing of its proposals (C-1 – C-4), the comparison of wages in the various comparability groups (W-1(a) – W-20), its budget (B-1 – B-23(j)), and exhibits concerning various settlements (S-1 – S-15). Finally, the District also submitted in the appendix the collective bargaining agreements of various other school districts. A review of these collective bargaining agreements indicates that many of the agreements contain longevity language, and at least one expressly states that step movement is based on automatic longevity increases. See, e.g., Muscatine Community School District, page 17. See also Bettendorf (longevity language) and Pleasant Valley (longevity). The District notes that instead, the Union is attempting to freeze step

movement, which the District claims is "short sighted" and would only exacerbate the situation for the future as there will be twice as many employees eligible for step movement next year. Id. "Newly hired employees, quite naturally, become very disgruntled if the step movement they are entitled to expect under the contract is suddenly frozen." District Exhibit IN-3.

Finally, the District notes that the parties have moved from traditional to interest based bargaining, as reflected in their proposals. See, e.g., Union Exhibit 2.1 and 2.2.

B. Union Position. The Union proposes to freeze step movement, and proposes a \$.50 per hour across the board wage increase. The Union and Employer both note that they agree on the costing of their proposals. Compare Employer Exhibit C-1 with Union Exhibit 2. The Union argues that its total package proposal is \$118,599, or 3.89% package increase. The parties agree that the District's proposal constitutes a \$95,917 increase, or 3.15%. Accordingly, the parties' proposals differ by \$22,682. See District Exhibit C-1. In support of the Union's position, and of the new "interest based bargaining," the Union presented an exhibit containing the various interests to be recognized in negotiations. The Union claims, among other interests, that it has an interest in increasing compensation in such a way as to retain qualified competent staff, and also an interest in rewarding longevity with the District through pay incentives. See Union Exhibit 2.1.

For its final offer, the Union proposed no step movement and a \$.50 per hour increase across the board. See Union Exhibit 2.3. All other sections of the contract were to remain status quo. Id. At arbitration, the Union admitted that its

proposal to freeze step movement was "unusual." However, the Union claims that freezing step movement is not uncommon within the District. The Union claims that support staff have had step movement frozen in four of the last eight years, and that there is no pattern to the freezes. See Union Exhibit 3.

The Union also argues that its proposed total package of 3.89% is less than the 4.79% given to the child care group or the teachers at 3.95%. See Union Exhibit 4. The Union also presented testimony regarding the total package increase for other non-represented employees. See Exhibit 4.1.

The Union also submitted testimony regarding the District's budget and concluded that the District ended the last completed budget year with the largest unspent balance in its history, and that its ending fund balance was even larger. See Union Exhibit 5. The Union also noted that many bargaining unit positions are paid from special funds in addition to the regular program money, and that North Scott's regular program money will increase by almost \$380,000. See Union Exhibit 5.

The Union also presented testimony regarding external comparables, and emphasized that the arbitrator should look at three factors: Union representation, proximity, and student enrollment. See Union Exhibit 6. The Union argues that it found 12 other school districts where classified employees have collective bargaining agreements within 60 miles of Eldridge, and that are also 35 above or below North Scott on enrollment. The Union's comparability group under these criteria are: Bettendorf, Central Clinton (DeWitt), Clinton, Davenport, Dubuque, Iowa City, Linn Mar, Maquoketa, Marion, Muscatine, Pleasant Valley and West Dubuque. See Union Exhibit 6. The Union argues that since its comparability

group draws from the same geographic region as North Scott, that its comparability group be used for comparison. See Union Exhibit 6, and map at page 3.

The Union presented comparison of regular program money, which purports to show that the regular program money for North Scott is 2.8%, while the average for other districts in the comparability group is about the same. The Union notes that North Scott's regular program money is better than the statewide average of 1.7%.

The Union presented testimony regarding comparability with other master contracts in its comparability group for various job classifications, including custodial, secretarial, teacher aide, and food service. See Union Exhibit 9.

The Union also submitted an SEIU 2004-2005 wage survey, and claims that neither the Union nor the District's wage proposals will make a significant difference in the classified employees rank compared with other districts' wages. See Union Exhibit 10. (The District disputes this survey, and claims that the Union's comparison information failed to include data from a number of school districts that would have changed the ranking). The Union also presented an SEIU survey of classified school district settlements with comparable districts, and claim that its proposal for North Scott staff to be paid from the general fund was more in line with these districts. Union Exhibit 11. According to this survey, custodians in other units have settled at 3.7%, secretaries at 4.1%, and teachers aides at 3.82%.

The Union also claims that an ISEA survey of classified school district employees total package increases shows that the settlements average around 4.84%, which is again well above the Union's proposal for North Scott of a total package of 3.89%. Finally, the Union argues that its survey of teacher settlements

show an average of 4.17%, and that there is a trend of support staff increases being equal to or better than teacher settlements. See Union Exhibit 11.

C. Findings of Fact. Both sides agree on the costing of their proposals: the Union's total package proposal would cost the District \$118,599, and the District's total package proposal would cost the District \$95,917. The difference in the proposals is \$22,682. Compare District Exhibit C-1 and Union Exhibit 2. The unique issue in this year's negotiations is that the Union proposes to freeze step movement on the schedule. Union Exhibit 2. According to the Union, freezing step movement is not uncommon, and support staff have had step movement frozen four of the last eight years. The Union claims there is no pattern to the freezes. See Union Exhibit 3. On the other hand, it is also undisputed that there is no contract language regarding step movement. Rather, the parties have a past practice of movement on this schedule based on a year-to-year basis, unless the parties agree on a freeze. Under the Union's proposal, 59% of the bargaining unit (82 of 138) would have their step movement frozen. The District claims this is a "major concept change" and that an arbitrator should be reluctant to substitute his or her judgment for the parties absent substantial past problems with the language as it currently exists or substantial reasons for making a change. See District Exhibit I-8 and I-12. Consistent with the arbitrator's reasoning involving the insurance issue, the arbitrator agrees.

No other employee group within the North Scott Community School District has a step freeze similar to the one proposed by the Union for the classified employees. Moreover, there is no evidence regarding any similarly situated external comparable groups regarding a step freeze like the one proposed by the

Union. In addition, there appears to be little evidence of the course of bargaining regarding this proposal. While it is undisputed that the parties have agreed on a step movement freeze at least three times in the past seven years (or four, see Union Exhibit 3), the District claims, and the testimony was undisputed that such freezes only occurred "when the cost of step movement and/or insurance would have consumed so much of the available dollars that a comparable across the board increase could not be made." See District Exhibit I-8. Here, the District admits there are "sufficient dollars to pay for step movement and to provide a comparable across the board increase this year." District Exhibit I-8. Of course, a careful review of District Exhibit I-11 shows that the Union's entire wage proposal results in higher increases for nearly 94% of the unit (only Anderson, Burr, Ganzer, Huffman, Meece, Meyer, Olson, Swanson, and VanEe would apparently receive higher wages under the District's proposal). However, on the record before him, the arbitrator is reluctant to "freeze" step movement. In addition to the lack of external and internal comparables, the arbitrator notes that no other SEIU classified unit settlements have frozen step movement. See District Exhibit S-14. Here, there was simply no comparability or historical evidence regarding a step movement freeze to justify doing so now.

The arbitrator also finds that it is in the public interest and welfare that all employees in the bargaining unit receive some type of pay increase and/or advancement on the schedule (consistent with comparability and history) particularly in light of the trend to require employees to share more in the cost of health insurance with the employer.

Finally, the arbitrator notes that wages and insurance, of course, are separate issues for impasse procedures. To the extent that the District argues that new employees would be "penalized" by a step movement freeze (District Exhibit I-10 and IN-3), and the Union conversely argues that new employees would be "penalized" by the District's proposal on health insurance for all new employees that are hired for less than 215 days per year (Union Exhibit 8), neutrals frequently state that such changes in language or contractual concepts are to be made at the bargaining table where trade offs among the parties can be made. See District Exhibit I-12. "Contract language is best shaped by the parties themselves during the give and take of bargaining." District Exhibit I-13, Arbitrator Hoh. Particularly in this setting, where the parties have moved from traditional to interest based bargaining, the arbitrator is reluctant to change the language or upset practice.

Therefore, based on the bargaining history of the parties, a comparison to other public employees doing comparable work, the interest and welfare of the public, and the ability of the District to fund such an increase, the arbitrator finds that the District's proposal on wages is the most reasonable.

2. Insurance.

A. District Position. The District proposes to change the insurance language to state that new employees working less than 215 days per year would receive district paid single insurance only, and to "grandfather" in current employees receiving 90% family insurance. See District Exhibit I-4. The District states this is the "usual and customary" way to address such problems, and that its concept is not new. Rather, the District claims its offer merely "expands" the eligibility requirements for insurance. The current contract (Article XX) states that

employees working 30 hours or more receive full single or 90% family insurance. Id. According to the District, the insurance change proposed by the District would save \$3,841.08 with each turnover of an employee with family insurance. See District Exhibit IN-3. The District argues that the arbitrator "has the opportunity to cause some real progress to be made in resolving the underlying cause of this labor dispute by awarding the District proposal on insurance." The District submitted testimony regarding the insurance issue, and claimed that since 1997-1998, the family health insurance premium has increased 144.7% (although it will apparently remain unchanged during the 2004-2005 school year). The District claims that "insurance is a problem and the District proposal addresses the problem." See District Exhibit IN-1. The District claims that in the conference the North Scott family health provision is equal to or more generous than all comparison classifications except Clinton custodians and the Davenport custodians and secretaries (3 out of 21 comparisons). Using the "five larger/five smaller" comparison groups, the North Scott family health insurance provision is equal to or more generous than all comparison classifications except the Oskaloosa custodians (1 out of 25 comparisons). Finally, the District notes that it has several part-time employees where the District was paying as much as 74.7% of wages out for health insurance. See District Exhibit IN-1.

The District also claims that the "real issues" keeping the parties from settling at the table are not before the arbitrator. See District Exhibit IN-3. The District notes that the Union is not requesting the same insurance plan as the teachers nor has it brought in a longevity proposal. The District claims that its proposal providing single insurance to part-time employees who work less than 215

days per year was an effort to reduce total cost, as its proposal would have saved the District \$3,841.08 with each turnover of an employee with family insurance. Id. The District presented comparison exhibits on its insurance proposal with the conference schools (District Exhibit IN-4) and the five larger and five smaller schools statewide. See District Exhibit IN-5. The District also provided a breakdown of the insurance expenses regarding this unit (District Exhibit 6-7), and a breakdown of the employee benefits per pupil for the District and the various comparability groups. See District Exhibits IN-8-9. The District concludes that its proposal "meets the standards that neutrals look for in awarding a change to contract language." District Exhibit IN-10.

The District states that a Waterloo school district classified unit recently "TA'd" health insurance language cutting back the employer's family insurance contributions from 50% to \$50 per family, and wage increases between .11 and .27 cents.

B. Union Position. The Union proposes that there be no change to the insurance provisions of the collective bargaining agreement. See Union Exhibit 2. Its final offer on insurance was that the contract should remain status quo. See Union Exhibit 2.3.

In support of its position, the Union submitted Union Exhibit 8, which indicates that no other group within the district has an "insurance restriction" like the one proposed by the District for classified employees, nor does any external comparable group have any similar "insurance restrictions" like the one proposed by the District. See Union Exhibit 8. The Union claims that currently 22 of 34 classified employees with family insurance are scheduled to work less than 215

days per year, and that four of the food service employees with family insurance are scheduled to work less than 215 days per year. The Union claims that the District's proposal "will shift the burden of family insurance premiums to the employees least able to afford it." The Union argues that most part-time employees will work less than 215 days per year. Such employees currently receive 90% of the family premium. See Union Exhibit 2. Although the District's proposal is to apply to new hires only, and will "grandfather" in all existing employees, the Union believes these employees are the ones that can least afford it. See also District Exhibit N-4.

C. Findings of Fact. The District's insurance proposal would "grandfather" in all current employees and would provide single insurance only to any new employees working less than 215 days per year. See District Exhibit IN-4. According to one exhibit, currently 22 of 34 classified employees with family insurance are scheduled to work less than 215 days per year (Union Exhibit 8). See also District Exhibit IN-6 (claiming that 20 classified employees have family insurance are scheduled to work less than 215 days per year). The District notes that there would be no impact on the current employees, as they would all be "grandfathered" in, and that any effect on the bargaining unit would not be felt until a change in personnel. See District Exhibit IN-6. Thus, assuming that all 20 employees who work less than 215 days per year retired, under the District's proposal filling all 20 positions would save the District around \$92,392.90 in health insurance. See District Exhibit IN-6. Although the District notes that family health insurance premiums have increased 144.7% since 1997/1998, and that it has several part-time employees where the District is paying as much as 74.7% of

wages out for health insurance (District Exhibit IN-1), it is not claiming any inability to fund the Union's health insurance proposal.

It is undisputed, however, that no other group of employees within North Scott Community School District has any similar "grandfather" clause like the one proposed by the District for the classified employees. See District Exhibits IN-1 through IN-10. Likewise, no external comparable group (whether in the conference or in the "five larger/five smaller" schools statewide) proposed by the District has similar "grandfather" language like the one proposed by the District. *Id.*

Moreover, the parties have implemented "interest based bargaining" intended to improve the bargaining process and identify and implement mutual interests of the parties. However, the bargaining history contains no evidence of any discussion of the "interests" gained by implementing such a health insurance proposal, nor the actual turnover statistics in the District. Compare District Exhibit I-15 and Union Exhibit 8. While it is unlikely that all 20 (or 22) part-time employees are all resigning this year, there is simply no evidence for the arbitrator to determine such a proposal's impact on the unit. Likewise, the District claims that most part-time employees work in food service and only during the school year. Yet, a careful review of every collective bargaining agreement produced by the District in its appendix reveals no insurance language targeting either these job classifications or part-time employees generally. The arbitrator notes Arbitrator Pegnetter's quote cited by the District: "[T]he District is correct in identifying a higher burden of proof when a unilateral proposal for changing the basic form of a negotiated contract provision is made." District Exhibit I-14, at page 6. See also District Exhibit IN-10 (referring to a "change in concept" and the standards that neutrals look for in

awarding a "change to contract language"); and District Exhibits I-12 and I-13 (citing contract changes and/or concept changes and neutral quotes). "When the parties mutually agree to contract language changes this involves certain tradeoffs and concessions by the parties. A neutral should not be writing the language for the parties." District Exhibit I-13.

On this record, therefore, the arbitrator is reluctant to change contract language to remove health insurance coverage for new part-time employees. "Contract language is best shaped by the parties themselves during the give and take of bargaining." Arbitrator Hoh, District Exhibit I-13. Again, information regarding the collective bargaining history between the parties, and the collective bargaining history in the comparability group would have shed further light for the arbitrator to place the District's proposal into better prospective.

The arbitrator also notes that the parties have negotiated percentages in Article XX, and the current language states that the employer should pay 100% of the single premium and 90% of eligible employees family premiums. The arbitrator notes that comparability on health insurance is often difficult because each plan differs so much. A review of the other health insurance settlements shows that the Union's proposal would allow North Scott to maintain its rank in the comparability groups. Bettendorf pays 90% of the family insurance premium. District Exhibit W-10. In addition, Pleasant Valley (another size 7 school) pays 92% of the family insurance premium, and as pointed out by the District, Pleasant Valley's wage settlement was .32 cents per hour, which is comparable to the District's .31 cents per hour offer. See District Exhibit S-8 and I-16. In reviewing the external comparability groups for similar percentages, the North Scott insurance

percentages are equal to or more generous than many of the other districts. See District Exhibit IN-4 and District Exhibit IN-5 and Union Exhibit 8. To achieve this result and ranking, trade offs were likely made that resulted in the current percentages. As this arbitrator has stated in other awards, the trade off was not explained to the arbitrator and the arbitrator is reluctant to substitute his judgment for the parties on such a record.

The arbitrator also believes, given the comparability information (or lack thereof) that it is in the public interest and welfare to continue the same language regarding health insurance and not add new contract language "grandfathering" in current employees.

Accordingly, based on the collective bargaining history of the parties, a comparison to other public employees doing comparable work, the interest and welfare of the public, and the ability of the North Scott Community School District to fund the existing insurance language, the arbitrator believes that the Union's proposal on insurance is the most reasonable.

H. CONCLUSIONS OF LAW/AWARD

In accordance with the statutory criteria imposed upon the Arbitrator, the Arbitrator determines as follows:

1. **Wages.** The final offer of the District is selected as the most reasonable.
2. **Insurance.** The final offer of the Union is selected as the most reasonable.

Dated this 6th day of July, 2004.



Wilford H. Stone, Arbitrator

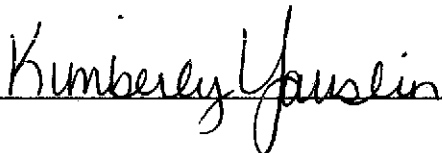
CERTIFICATE OF SERVICE

I certify that on the 6th day of July, 2004, I served a copy of the foregoing Arbitration Award upon the following persons by mailing pursuant to the Iowa Code and the Iowa Rules of Civil Procedure:

Susan M. Bolte
Administrative Law Judge
Iowa Public Employment Relations Board
514 East Locust Street, Suite 202
Des Moines, Iowa 50309-1912

Don Hoskins
766 13th Street
Marion, IA 52302

Doug Peters
102 Second Avenue
Coralville, IA 52241-2687



I-1

STIPULATION BETWEEN
NORTH SCOTT COMMUNITY SCHOOL DISTRICT
AND THE
SERVICE EMPLOYEES INTERNATIONAL
UNION, LOCAL #199: CLASSIFIED EMPLOYEES

INDEPENDENT IMPASSE PROCEDURE

The undersigned parties, as authorized representatives of the School District and the Service Employees International Union, Local #199: Classified Employees, stipulate that they will mutually waive mediation as would otherwise be required by Section 20.20, Code of Iowa.

Further, the parties mutually waive the April 15, 2004 completion date as would otherwise be required by Section 20.17, Code of Iowa. More specifically, in the event that final offer binding arbitration (Section 20.22, subsection 1) is invoked by either party and impasse issues are not resolved through arbitration prior to April 15, 2004, neither party shall assert or interpose any objection to the holding of an arbitration hearing or the issuance of an arbitration award after April 15, 2004.

The parties also agree to the following:

- * A copy of these procedures will be sent to the Public Employment Relations Board.
- * If the parties have not reached a contract agreement by May 14th, either party may, at that time, request final offer arbitration of unresolved issues.
- * The party requesting final offer arbitration will provide written notice of its request to the other party in person or U.S. mail.
- * A copy of the request will be sent to P.E.R.B. along with a request for a list of five arbitrators.
- * Within three days of receipt of the list from P.E.R.B. each party will strike two names from P.E.R.B.'s list; the remaining person will be contacted and asked to conduct a final offer arbitration hearing with the parties no later than June 15th.

- * The selected arbitrator will conduct the hearing utilizing criteria set forth in Chapter 20.22, Section 9, Code of Iowa.
- * The parties may exchange proposals and counter proposals anytime after a request for arbitration services has been submitted to P.E.R.B.
- * The parties will exchange final offers on each impasse item 10 days prior to the scheduled hearing and each will also send copies of their final offers to P.E.R.B. along with copies of any agreed upon provisions of the proposed collective bargaining agreement.
- * A party shall not submit an offer for final offer arbitration, which has not been previously offered to the other party in writing.

SERVICE EMPLOYEES INTERNATIONAL
UNION, LOCAL #199: CLASSIFIED EMPLOYEES

NORTH SCOTT COMMUNITY SCHOOL DISTRICT

By: 

By: 

Date: 3/2/04

Date: 3-1-04

NORTH SCOTT COMMUNITY SCHOOL DISTRICT

STATEMENT OF ISSUES

The parties have resolved all issues except Wages and Insurance.

WAGES: 2 sub-issues

STEP MOVEMENT:

District Position: Step movement
(equal to 9.44 cents atb)

Association Position: No step movement

ATB WAGE INCREASE:

District Position: 31 cents ATB

Association Position: 50 cents ATB

Note: Under Iowa law the Arbitrator cannot split the award of the sub-issues. The award on the Wage issue must be all District or all Union.

INSURANCE:

PART-TIME EMPLOYEES

Current Contract: Employees working 30 hours or more receive full single or 90% family insurance.

District Position: New employees working less than 215 days per year to receive district paid single insurance. Current employees grandfathered

Association Position: Current Contract.

Costing Proposals

Bargaining for the 2004-05 contract began February 11th.

Mediation was held April 19th.

The parties were unable to settle the contract. There are no tentative agreements.

Final offers were exchanged June 3rd.

Items before the arbitrator are Insurance and Wages. All other articles of the contract are to remain status quo.

| Item | Union Proposal | District Proposal |
|---------------------------------|-----------------------------|--|
| Insurance | Status Quo | Employees hired for less than 215 days per year receive single insurance only. (They currently receive 90% of the family premium.) |
| Step Movement | Frozen | Allow Steps \$19,710 |
| Across The Board | \$.50 per hour \$104,408 | \$.31 per hour \$64,733 |
| Total Package w/ FICA and IPERS | \$118,599 3.89% | \$95,917 3.15% |